

PACT PRESS CONFERENCE

March 6, 2009

This press conference is about planning for solutions and options for students in the PACT Program- not about second guesses.

The Prepaid Affordable College Tuition Program, known as PACT, has been severely impacted by the worldwide economic crisis. Three variables directly influence PACT, and each of these has been instrumental in creating PACT's present challenge:

1. The severe downturn in the financial markets;
2. Rising cost of tuition and fees;
3. Number of PACT students in school are now at an all-time high.

The PACT Board of 10 members recognized the gravity of the situation and began developing options. This requires us to gather information from a variety of people and groups—college and university leaders, members of the Legislature, professional contacts and others.

Rather than let the situation leak out and having rumors fly I sent a letter to PACT Participants to ensure they were informed of the facts and potential issues.

Our goal is to find ways to provide for the 48,000 Alabama PACT students to use PACT assets to attend Alabama colleges and universities. To this end, we are committed.

I assure you the Board, its staff and numerous professional advisors are working to get all the needed information upon which to make rational decisions. We have visited with colleges and university presidents, legislators, the Governor investment counselors, actuary, and other prepaid representatives from other states.

We want PACT Participants to have the facts:

- We launched a website www.800alapact.com that will be updated each Friday by 2:00 p.m.
- We've added an email address: alapact@treasury.alabama.gov to receive your comments and inquiries. Your comments will be provided to the Board.
- March 12, 2-4 pm we will provide a public hearing for PACT participants to present their concerns. Check the website for location and details.

On March 24 the PACT Board will meet to set a course of action.

Many of you have called to discuss your options to this situation. The best advice I offer is stay steady through March 24th when the Board determines options; then you choose and make informed decisions. I urge you to allow the Board to respond PRIOR to any individual participant taking action that may have personal tax implications.

I ask for patience; I promise to keep you informed through the website. The Board will make decisions in the best interest of the program and students.

An educated workforce is essential to Alabama's economic engine and its future. The PACT Program is an important element in providing an educated workforce. Let us all—those who benefit, those who provide, those who manage, and those who legislate—work as partners to develop a solution that is best for Alabama.